LEGISLATION.

The Chitties Regulation Amendment Bill.

MR. V. SUBBA AIYAR (*Additional Head Sirkar Vakil*): Sir, I beg to move that the Chitties Regulation Amendment Bill be taken up for final reading and passed.

MR. S. PARAMESVARA AIYAR (*Secretary to Government*): I second it.

PRESIDENT: I take it that the House accepts the motion.

The motion was carried.

The Income Tax Regulation Amendment Bill.

MR. V. SUBBA AIYAR (*Additional Head Sirkar Vakil*): Sir, I beg to move that the Income Tax Regulation Amendment Bill be read in the Council.

MR. K. GEORGE (*Financial Secretary to Government*): I second it.

MR. V. SUBBA AIYAR (*Additional Head Sirkar Vakil*): Sir, there has been some representation after the new Income Tax Regulation was passed that it stands in need of amendment, and that some difficulties and inconveniences are experienced by the assessees. And also representations were made in this House that it should be on the lines of the late Act of British India, namely, the Act of 1922, which was passed subsequent to the Regulation. The amendment of the Regulation was therefore taken up for consideration and the present Bill now before the House is the result of that consideration.

The main and the most important of the amendments are explained in the Statement of Objects and Reasons and a note on the various clauses has also been appended. All the same, I think I may make a few remarks on some of the salient points of the Bill itself.

In the first place, as the House is aware, there was some doubt as to the definition of the word "agriculture." I believe it was Mr. P. K. Narayana Pillai who brought to the notice of the House that income by agriculture need not necessarily be from land paying revenue to Government but may be from all lands. I may say that it was intended to be restricted to income by agriculture from land paying revenue to Government. Although that was and could be the meaning, however, in view of the fact that a suggestion was made that it is likely to be otherwise interpreted, it is thought expedient to take advantage of the Amendment Bill to make the point clear and declare that only lands that pay revenue to Government will be exempted.

Then with reference to the definition of the word "income," I daresay the House knows that it is generally supposed to be income which has been actually received by any particular assessee. In many instances it may not be actually received, because, in the case of some firms or in the case of some businesses, the practice seems to be to take

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